

ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

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Dear Ted:

I was delighted to receive your telephone call on December 7 from England telling me that you were going to receive the Huntington Medal. You have more than earned it and I heartily congratulate you. You stated that the rules require you to give a numismatic paper at the presentation ceremony and that you selected as a topic forgeries of U.S. pioneer gold coins and bars. You asked us for such information as we had on the subject and I indicated that we would send some data to you as promptly as it could be assembled. There are cartons of data on hand, some of which you already may know. This letter contains some items which you should find of interest and you can ask for other items after you have digested these. Feel free to FAX to 314-727-0820 or send e-mail to me in the code name ericnumis@aol.com. I will be away from December 16, 1995 to January 3, 1996.

When you mentioned the Central America and its treasure I told you that Kenneth E. Bressett, now president of the American Numismatic Association, was knowledgeable on the subject and had put some items into the Red Book of the last year or so. You will recall that certain pioneer gold was put in the Red Book about 30 years ago and was later removed and never reinserted. His residence telephone number is 719-579-0717 in Colorado Springs and

he is very reliable and a lifetime friend.

SS Central America treasure has not to my knowledge had an inventory published or any of the items sold. Everyone wants to buy or auction it. It will probably create income tax problems for the group whenever the first piece is sold. My file on it is quite incomplete but there is a picture of coins and bars galore in Life magazine for March 1992, which I enclose. Try to read the text punched into the bars. Please return this item to us in due course. Perhaps you can make slides of parts of it.

I must tell you that there is a new possibility to suggest to solve the mystery as to how California minting equipment of the Gold Rush period might have gotten to the Philadelphia U.S. Mint. When the April 16, 1906 earthquake and fire occurred in San Francisco one of the few buildings which survived was the San Francisco Mint at Fifth and Mission streets. It immediately served as the temporary home for virtually all the San Francisco banks because it had vaults and separate enclosures. There were all kinds of gold coin and bullion which needed protection in separate rooms for the individual banks for many months. What could have happened logically is that to make room for the temporary functions the dies, letter and number punches and other small equipment left over from the Gold Rush U.S. Assay Office and other private moneyers were moved to get them out of the way. They were probably sent to the Philadelphia mint for safekeeping. This date ties in with the appearance in 1909 of lead etc. strikings from several pioneer dies including the 1853 \$20 U.S. Assay Office.

We leave this subject hanging to point out certain data and

then will return to it.

In the Garland v. Ryan hearings over 25 years ago some matters were never made public by the arbitrators. We have never made public all of the facts we submitted or have gathered since. We had submitted to the arbitrators the article in the May 1909 Numismatist, pp. 129-130 which on page 130 shows the panel side of a U.S. A. O. G. \$20 (copy enclosed). I visited the Connecticut State Museum long ago to examine it and it is a striking from the \$20 die with the other side blank. These shiny lead trial pieces had never previously been known and apparently were struck after 1906 and before 1909. I wanted to show the arbitrators that the dies were still in existence in the 20th century.

In Edgar H. Adams Patterns and Experimental Pieces of California, p. 105, he describes the same \$20 1853 U.S.A.O.G. lead piece properly along with others. This was published in 1912 in the American Journal of Numismatics and was reprinted as a book in 1913. Copy enclosed.

In the April 1909 Numismatist Edgar H. Adams mentions a gold proof 1853 U.S.A.O.G owned by David Proskey. The owner speculates the dies were made in Philadelphia because San Francisco had no time to put a proof finish on a die. Copy enclosed. Maybe it has just been coined at the U.S. Mint after polishing the dies or the planchets or both during spare time.

Private Gold Coins and Patterns of the United States by Donald Kagin published in 1981 has some intriguing statements indicating that Stephen Nagy made strikings of the \$20 1853 USAOG in 1908-12 (see many items, particularly pages 328 and 376) all enclosed. He

shows that thirty 1853 \$20 U.S.A.O.G. dies (apparently not pairs of dies) were still in San Francisco in 1906 but gives no source for the information.

Stephen K. Nagy (dealer John Haseltine's son-in-law) was I believe employed by the Philadelphia Mint about 1906 and for many years after. He was an A.N.A. member from 1906-1914.

In a December 2, 1995 mail auction by Early American Numismatics of La Jolla, CA a remarkable group of coin "copies" appeared. Lots 780 thru 783 are U.S. Assay Office \$20 pieces, one in brass and three in copper. They have milled edges. We bid indirectly through a dealer and obtained one in each metal but they won't be delivered until after Christmas. Please note that the description says "Attributed to Nagy" on each. The cataloguer received this information from the consignor's envelopes. We are trying to find who the consignor is but all we know is that they are from an old collection of reproductions and copies. We had never heard of these coins struck in brass or copper before and Kagin does not list them. The number of reeds was not counted but will be when we get them. The page from the auction is enclosed.

If the Nagy attribution is correct then Nagy had access to the USAOG dies when he worked at the Mint. Nagy died at age 72 on August 29, 1958 and his estate according to dealer Lester Merkin had a group of U.S. Mint things in it.

Lester Merkin was my friend but would never tell me all he knew about the Nagy Estate tangibles, of which there was a five page list. Lester told me parts of the story and arranged to have Tony Terranova give us Lester's arbitration file but Lester told

me some things had been removed. What he was quite clear about is that about 25 years ago a bunch of the items were too indicative of being U.S. Mint property (removed from there) and that a couple of numismatic people had it valued and gave it as a donation to the Smithsonian with the specific written understanding it was not to be opened for 50 years thereafter to avoid embarrassing anyone then alive. I have asked at the Smithsonian informally and otherwise and have had no written or other confirming response. No freedom of information demand has been made so far as I know.

Lester Merkin's widow according to Michael Hodder has shared with him the whole story and he stated to me that he cannot give me the information because it was told to him in strict confidence. I asked if I could talk to Mrs. Merkin and he urged otherwise. Some at the Smithsonian may be reluctant because the Lilly Estate so-called gift purchase matter is fraught with Mexican bars, pioneer bars, etc. You may remember that the House Ways and Means Committee asked me to be a witness at a hearing on the Lilly matter but wanted to go over my testimony first. I went to Washington for that and told them that I had not seen the coins and that neither of the appraisers (Kosoff or Schulman) had said the coins were genuine. The day before the hearing at which I was to testify I received a wire that the bill was passed without the hearing and I would not be needed.

There is of course much more that you already know about the source of the Lilly coins and bars.

Now to return to the USAOG arbitration matter. It was my testimony that altered transfer dies had been used to create the

so called 1853 \$20 U.S.A.O.G. proofs. I was not sure how they were made. I realized that at some time shortly before 1909 transfer (hubbed) dies could have existed or been made. I did not know enough about Nagy matters to determine whether transfer dies were made at the U.S. Mint in Philadelphia or California in 1853 for California production (Kagin says there were 30 dies at the San Francisco Mint) or whether transfer dies were made shortly after 1906 or in the 1950's. Thus when Nagy was at the U.S. Mint and could have used various pioneer dies to strike items attributed to him they could have been made from either old existing transfer dies or contemporarily made transfer dies.

I now recognize that if Nagy in due course obtained possession of obsolete genuine dies, genuine transfer dies, punches and/or tools the sky was the limit as to what devilment was possible. The liberated items, transfers from them or parts of them could be used to produce coins, bars and other fantasies for collectors. What was in the Nagy Estate of this nature when he died is of great importance. Such items could have been borrowed and used or borrowed to have transfers made from them. Some could have been returned and some not. The best way out was for someone to "give " all or most of it to the Smithsonian and not have it examined for 50 years. It was a cute way to return to the U.S. the property apparently belonging to the U.S.

It has occurred to me that you might not have studied in detail Breen's 1988 comments on the matter, although I assume you have. A year or so before he died he told me orally that he agreed with me. I have taken the liberty of giving you a summary of

relevant material in his book although I may have missed some of it. Copies of pertinent pages are enclosed.

We will be interested in anything you write and will be glad to comment on whatever you wish us to.

You may have facts we are unaware of and conclusions we have not thought of.

We hope we have been helpful.

Your old friend,

Eric Newman

ts/EPN

Walter Breen's Complete Encyclopedia of U.S. and Colonial Coins (NY 1988) is no doubt available to you but a few comments in it are pointed out. They leave a quagmire.

I United States Provisional Branch Mint at San Francisco (1851-1853) "Overview", pp. 611-612.

- (A) Mentions controversy is unresolved (p. 612).
- (B) Says dies, numeral and letter punches (single and gang), etc. were made by Kuner (p. 612).
- (C) Mentions Ford name (p. 612).

II United States Assay Office of Gold (1852-1853), p. 614-616.

- (A) Dies Hubbed (p. 616).
- (B) Different die breaks (p. 616).
- (C) Barless A and missing serifs.
- (D) Rust.
- (E) Suspected of being clandestine.
- (F) Suspected of being made 1858-1863 at the Philadelphia Mint.

III Controversial Coin Ingots (1853), pp. 616 - 617.

- (A) "all are controversial" (p. 616).
- (B) Franklin name mentioned five times (pp. 616-617).
- (C) Ford name mentioned three times (pp. 616-617).
- (D) Lilly name mentioned twice (pp. 616-617).
- (E) Note separate use of panel on \$200 (p. 617).
- (F) Note two new denominations (\$50 and \$200) are produced from modified \$20 design (p. 617).

IV Massachusetts and California Co. p. 631

- (A) Concoctions in various metal produced by or for Nagy.
- (B) Clifford listing of 13 varieties.
- (C) Varieties listed as Nagy varieties.

V Blake and Agrell p. 651

- (A) Controversial issue
- (B) If authentic
- (C) Ford name mentioned three times.

VI Adams & Co. p. 637

- (A) Ford name mentioned.
- (B) Lilly name mentioned.
- (C) Controversial

VII James King of William & Co. pp. 639-640

- (A) Bank of California. It also acquired the \$200
USAOG bar and it was on exhibit at the bank when I
last visited.